

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2002-532

September 18, 2002

St. Francis Water District  
Application for Approval of  
Issues of Securities (§902) (\$10,000)

ORDER APPROVING  
ISSUES OF  
SECURITIES

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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On September 5, 2002, the St. Francis Water District (the District), which provides water utility service, filed with the Commission its application for approval of a note entered into on July 31, 2002 in a sum of \$10,000 through Peoples Bank, at an annual rate not to exceed 7 percent. The debt will be paid over a term not to exceed 5 years. In this Order, we approve the District's application.

The District required these funds for the purpose of building a gravel pad for use as a base for a bladder tank to dig around the old tank for its removal and to move a building to allow for the installation of a new tank. Because the District had not issued debt previously, it was unaware of the requirement for Commission authorization to enter into notes of a period greater than 12 months. It made this filing when it became aware of the requirement.

Section 901 requires a public utility to obtain authorization from the Commission **before** it issues any securities with a term greater than 12 months. The prior approval requirement is an integral part of the statutory scheme by which utilities may issue securities and we expect utilities to comply with this requirement.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the note are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the St. Francis Water District note entered into on July 31, 2002 in a sum of \$10,000 used solely for the purposes described in this Order, and at a rate not to exceed 7 percent per year through Peoples Bank for a term not to exceed 5 years is authorized;

2. That the District take note of the requirement to request Commission authorization for securities issues of greater than one-year prior to issuing these securities and put in place procedures to ensure that it obtains proper authorization for future issues; and
3. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 18th day of September, 2002.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Nugent  
   Diamond

COMMISSIONER ABSENT:            Welch

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.